

Preliminary for Review

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

DECEMBER 18, 2006

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Roberts, Assistant State Architect
Charles Harrison, Comptroller's Office
Charles Garrett, Dept of Finance and
Administration
Jurgen Bailey, Dept of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Diane Uhler, Tennessee Board of Regents
Dennis Raffield, THEC
George Brummett, Dept of Finance and
Administration
Alvin Payne, University of Tennessee
Mike Morrow, Dept of Finance and Administration
Mark Wood, Secretary of State's Office
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Bob King, Dept of Finance and Administration
David Arnold, Department of Agriculture
Annette Crutchfield, Legislative Budget
Bob Fulcher, Dept of Environment & Conservation
John Gregory, TWRA
Mary-Margaret Collier, Comptroller's Office

Comptroller Morgan called the meeting to order at 10:35 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

* * * * *

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 1602 Elrod Street (house/shed) & 1601 East Main Street (church/17 parking spaces) – Murfreesboro, TN – Trans. No. 06-11-005 (BW)</u>
Purpose:	Acquisition in Fee for the use of academic grant offices with first priority for sponsored grants. Property is in the Master Plan.
Source of Funding:	Auxiliary Fund Balances
Estimated Cost:	\$1,000,000.00
Estimated Title, Appraisal and Survey Fees:	Fair Market Value
Owner(s):	College Heights Chapel, Inc.
Comment:	Buildings are in good condition and the cost for conversion will be minor.
SSC Report:	12-11-06. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-18-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Shelby County – 20 South Dudley, Memphis, TN – Trans. No. 06-11-917**

Purpose: To provide office/classroom space for job training.

Term: January 1, 2007 thru October 31, 2008 (22 mons.)

Proposed Amount: **2,050 Square Feet – for January 1, 2007 thru May 31, 2007 (5 months)**
Annual Contract Rent Incl. Utility & Janitorial Cost: \$8,730.00 (1 yr) @\$4.26/sf
Total Annual Effective Cost: \$8,730.00 (1 yr) @\$4.26/sf

Proposed Amount: **6,079 Square Feet – for June 1, 2007 thru May 31, 2008 (12 months)**
Annual Contract Rent Incl. Utility & Janitorial Cost: \$96,739.80 @\$15.91/sf
Total Annual Effective Cost: \$96,739.80 @\$15.91/sf

Proposed Amount: **6,079 Square Feet – for June 1, 2008 thru October 31, 2008 (5 months)**
Annual Contract Rent Incl. Utility & Janitorial Cost: \$96,739.80 (1 yr) @\$15.91/sf
Total Annual Effective Cost: \$96,739.80 (1 yr) @\$15.91/sf

Type: New Lease

Lessor: Memphis Bioworks Foundation

Comment: The proposed lease provides (1) non-cancelable during lease term and (2) option to extend for three (3) twelve month terms.

SSC Report: 12-11-06. Charles Garrett summarized the transaction. Jerry Preston presented the transaction and explained its purpose. Staff referred to Sub-Committee for recommendation.

SC Action: 12-18-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Weakley County – 12894 Highway 45 North, Martin, TN – Trans. No. 06-12-900**

Purpose: To provide classroom and clinical lab space for teaching.

Term: January 1, 2007 thru December 31, 2007 (1 yr)

Proposed Amount:	<u>6,000 Square Feet</u>		
	Annual Contract Rent:	\$16,800.00	@ \$ 2.80/sf
	Est. Annual Utility Cost:	\$ 8,400.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$31,800.00	@ \$ 5.30/sf

Current Amount: Only present there

Type: New Lease – Negotiated

FRF Rate: \$12.50 per square foot

Purchase Option: No

Lessor: Gene Gifford

Comment: The proposed lease provides an option to renew for an additional three (3) years at same rate. Mr. Gifford provided at no cost to the TTC an estimated \$28,000 to renovate the facility and bought the lot next to the building to be used for parking. The lease provides a 90-day cancellation clause from either party.

SSC Report: 12-11-06. Charles Garrett summarized the transaction. Jerry Preston presented the transaction and explained its purpose. Staff referred to Sub-Committee for recommendation.

SC Action: 12-18-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

INFORMATION ITEM

The Wolf River Conservancy (WRC) is in process of acquiring a 738 +/- acre tract along the Wolf River in Fayette County. This is a significant wetland tract for TWRA and will be coming forth in January or February to seek approval to acquire this tract from Wolf River Conservancy. The acquisition costs are going to be \$1.4 +/- million and the funding is as follows:

Heritage Trust Fund -----	\$300,000
Tennessee Natural Conservancy -----	\$100,000
TWRA Wetland Funds -----	\$550,000
Wolf River Conservancy donation -----	\$550,000

SC Action: 12-18-06. John Gregory explained the situation to the Subcommittee and stated that, if money is freed up, they will come back in a couple of months to request approval to acquire this very important tract. No action was required.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER of ONE (1) APPRAISAL not to exceed the appraised value for the property being acquired:

Description:	<u>Cumberland County – 315.5 +/- acres in Fee & 34.0 +/- acres in Easement – Cumberland Trail, Grassy Cove Segment, Crab Orchard, TN – Trans. No. 06-11-011 (GM)</u>
Purpose:	Acquisition in Fee & Easement to be donated in honor of their father Arthur Harrison & Bob Brown & Ray Hall Founders of The Tennessee Trails.
Source of Funding:	State Land Acquisition Fund - \$10,000.00 TEA -21 Viewshed - \$40,000.00
Estimated Cost:	Gift
Owner(s):	Plateau Properties, Inc.
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-18-06. Charles Garrett presented the transaction. He introduced Bob Fulcher, Park Manager, who stated that the Cumberland Trail has been open across this property since 1973, through a handshake agreement. Mr. Fulcher stated that the owners wish to donate the corridor and a surrounding buffer for the trail, in honor of the three founders of the Tennessee Trails Association, and are also requesting that survey, appraisal and title costs be covered by the State. He said the family is open to any recognition of the donors, and the Department supports their request. Secretary of State Darnell asked about the underlying mineral rights. Bob Fulcher responded that the mineral rights are owned by the corporation and they plan discussing with them. He added that their geologists are doubtful of any mineral value for extraction. After further discussion, Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – .5 +/- acres improved with a 1,066 +/- sf building – 419 Jefferson Street, Nashville, TN – Trans. No. 06-07-025-(LW)</u>
Purpose:	Acquisition in Fee to protect the integrity of the Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts 2003
Estimated Cost:	\$326,650.00
Owner(s):	Hoy & Edna Scott
Comment:	Request property to be condemned because the owner is unable to be located.
SSC Report:	12-11-06. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-18-06. Charles Garrett presented the transaction. He stated that his office has exhausted every means to locate the relatives of the owners of the property, to no avail, and so they were pursuing condemnation proceedings. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, with a REQUEST to DEMOLISH the IMPROVEMENTS, and WAIVE REAL ESTATE MANAGEMENT FEE on the required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – 1.3+/acres located at 1001,1015,1017, & 1019 5th Avenue North along Jefferson Street in Nashville, TN – Trans. No. 06-07-010.</u>
Purpose:	Acquisition in Fee to protect the Integrity of Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts as Amended in 2006
Appraised Value:	\$1,730,000.00
Owners:	B & C Investments
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-18-06. Charles Garrett presented the transaction. After general discussion, Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL for DEMOLITION:

Description:	<u>Davidson County – 1023, 1027 & 1029 5th Avenue North/Jefferson Street, Nashville, TN – Trans. No. 06-07-022 (BW)</u>
Purpose:	Acquisition in Fee to protect the integrity of the Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts 2003
Estimated Cost:	\$340,000.00
Owner(s):	Mary Ann Roberts
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee with recommendation.
SC Action:	11-20-06. Charles Garrett presented the four Jefferson Street acquisition requests together as one transaction. George Brummett, Budget Office, was recognized and stated that the Facilities Revolving Fund will take care of the debt service in the current year that is associated with the bond. In addition, Mr. Garrett said he would also like to request approval of a fifth tract owned by B & C Investments, and report back to the Subcommittee at their next meeting. He stated that there are two developers interested in offering more than the appraised value for the tracts. He said that one property may have to be condemned and, if so, it would be brought back to them for further approval. Treasurer Sims asked if the estimated costs for the four tracts were in line with the appraisals, and was told “yes”. A motion was made, and seconded, to approve the five tracts as presented by Mr. Garrett, and it passed without objection.
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. He stated that a request had been made by the owner, Mary Ann Roberts, to settle the land acquisition for \$350,000, an increase of 2.9% over the \$340,000 appraisal value. Staff referred to Sub-Committee with recommendation.
SC Action:	12-18-06. Charles Garrett presented the transaction. After general discussion, Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL for DEMOLITION:

Description:	<u>Davidson County – 501 Jefferson Street, Nashville, TN – Trans. No. 06-07-023 (BW)</u>
Purpose:	Acquisition in Fee to protect the integrity of the Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts 2003
Estimated Cost:	\$295,000.00
Owner(s):	Randolph King
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee with recommendation.
SC Action:	11-20-06. Charles Garrett presented the four Jefferson Street acquisition requests together as one transaction. George Brummett, Budget Office, was recognized and stated that the Facilities Revolving Fund will take care of the debt service in the current year that is associated with the bond. In addition, Mr. Garrett said he would also like to request approval of a fifth tract owned by B & C Investments, and report back to the Subcommittee at their next meeting. He stated that there are two developers interested in offering more than the appraised value for the tracts. He said that one property may have to be condemned and, if so, it would be brought back to them for further approval. Treasurer Sims asked if the estimated costs for the four tracts were in line with the appraisals, and was told “yes”. A motion was made, and seconded, to approve the five tracts as presented by Mr. Garrett, and it passed without objection.
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. He stated that a request had been made by the owner, Randolph King, d.b.a. as Hester Battery, to settle the land acquisition for \$325,000, an increase of 10.1% over the \$295,000 appraisal value. Staff referred to Sub-Committee with recommendation.
SC Action:	12-18-06. Charles Garrett presented the transaction. After general discussion, Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL for DEMOLITION:

Description:	<u>Davidson County – .031 +/- acres improved with a 2,340 +/- sf warehouse type building – 401 Jefferson Street, Nashville, TN – Trans. No. 06-07-024 (LW)</u>
Purpose:	Acquisition in Fee to protect the integrity of the Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts 2003
Estimated Cost:	\$322,500.00
Owner(s):	Rodgers & Rodgers General Contractors
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee with recommendation.
SC Action:	11-20-06. Charles Garrett presented the four Jefferson Street acquisition requests together as one transaction. George Brummett, Budget Office, was recognized and stated that the Facilities Revolving Fund will take care of the debt service in the current year that is associated with the bond. In addition, Mr. Garrett said he would also like to request approval of a fifth tract owned by B & C Investments, and report back to the Subcommittee at their next meeting. He stated that there are two developers interested in offering more than the appraised value for the tracts. He said that one property may have to be condemned and, if so, it would be brought back to them for further approval. Treasurer Sims asked if the estimated costs for the four tracts were in line with the appraisals, and was told “yes”. A motion was made, and seconded, to approve the five tracts as presented by Mr. Garrett, and it passed without objection.
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. He stated that a request had been made by the owner, Rodgers and Rodgers General Contractors, to settle the land acquisition for \$340,000, a 5.4% increase over the \$322,500 appraisal value. Staff referred to Sub-Committee with recommendation.
SC Action:	12-18-06. Charles Garrett presented the transaction. After general discussion, Subcommittee approved the request as presented.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on November 20, 2006.

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Following approval of the Consent Agenda, the meeting adjourned at 10:58 a.m.

CONSENT AGENDA

Approved the following real property transactions, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: **University of Tennessee – Shelby County**
Transaction: Lease Agreement
- B. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in Fee
- C. Agency: **Department of Transportation – Williamson County**
Transaction: Disposal in Fee
- D. Agency: **Department of Agriculture – Madison County**
Transaction: Acquisition in Fee
- E. Agency: **Tennessee Wildlife Resources Agency – Bradley County**
Transaction: Disposal by Easement
Provision: Waiver of Advertisement & Appraisals
- F. Agency: **Tennessee Wildlife Resources Agency – Anderson County**
Transaction: Disposal by Easement
Provision: Waiver of Advertisement & Appraisal
- G. Agency: **Department of Environment & Conservation – Warren County**
Transaction: Acquisition in Fee
- H. Agency: **Department of Environment & Conservation – Moore County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement & 1 Appraisal
- I. Agency: **Department of Environment & Conservation – Franklin County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement & 1 Appraisal
- J. Agency: **Department of Finance & Administration – Hamilton County**
Transaction: Amend Lease
- K. Agency: **Department of Finance & Administration – Davidson County**
Transaction: Lease Agreement
- L. Agency: **Department of Safety – Shelby County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement

- M. Agency: **Department of Safety – Hamilton County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- N. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Demolition – Middle Tennessee State University (SBC# 166/009-13-2006)
- O. Agency: **Department of Agriculture – Madison County**
Transaction: Demolition – Storage Shed Pinson Mounds (SBC# 100/010-01-2006)
- P. Agency: **Department of Agriculture – Fentress County**
Transaction: Demolition – Old Residence (SBC# 100/010-02-2006)

A.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Shelby County – 825 Union Avenue, Memphis, TN – Trans. No. 06-11-915**

Purpose: Parking spaces (41) for faculty and staff.

Term: January 1, 2007 thru December 31, 2011 (5 yrs.)

Proposed Amount:	<u>0.348 +/- acres / 41 parking spaces</u>	
	Annual Contract Rent:	<u>\$24,000.00</u>
	Total Annual Effective Cost:	\$24,000.00

Current Amount: None

Type: New Lease – Negotiated

Lessor: Glen G. Pitts – Memphis Scottish Rite Foundation, Inc.

Comment: The proposed lease has a 90-day cancellation clause. Funded from the auxiliary / parking revenues.

SSC Report: 12-11-06. Charles Garrett summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-18-06. Subcommittee approved the request as presented.

B.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 0.29 +/- acres located at 1509 Elrod Street (house) – Murfreesboro, TN – Trans. No. 06-11-009 (LW)</u>
Purpose:	Acquisition in Fee of property located in MTSU's Master Plan. House will be rented until needed for expansion.
Source of Funding:	Auxiliary Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Murphy Fair
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

C.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Williamson County – State Route 252 / Wilson Pike, Brentwood, TN – Trans. No. 06-11-015 (BW)</u>
Purpose:	Disposal in Fee to extend city property for a recycling convenience center.
Original Cost to State:	No Deed
Date of Original Conveyance:	1997
Grantor Unto State:	No Deed
Estimated Sale Price:	Gift
Grantee:	City of Brentwood
Comment:	The property is surplus to the Department needs. TDOT acquired the property in order to widen Wilson Pike & replace the wooden bridge over the rail road.
SSC Report:	12-11-06. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Madison County – 500 +/- acres – Bird Tract, Pinson, TN – Trans. No. 06-11-007 (FB)**

Purpose: Acquisition in Fee to purchase of the property to transition reforestation to new site and protect Pinson's significant archeological resources & maintain a strong tree improvement program.

Source of Funding: State Land Acquisition Fund

Estimated Cost: \$1,268,000.00

Estimated Title,
Appraisal and
Survey Fees: Fair Market Value

Owner(s): Charles D. Bird

Comment: TWRA, TDEC & Agriculture are all for this transaction.

SSC Report: 12-11-06. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-18-06. Subcommittee approved the request as presented.

E.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Bradley County – 260 feet long by 20 foot wide easement – Cleveland, TN – Trans. No. 06-11-003 (RJ)</u>
Purpose:	Disposal by Easement for an 8 inch public sewer line.
Estimated Sale Price:	Gift for Public Purposes
Grantee:	Cleveland Utilities
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

F.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Anderson County – 2 +/- acres – Braytown City, TN – Trans. No. 06-11-008 (RJ)</u>
Purpose:	Disposal by Easement to provide easement for a gas well, pipelines and access as needed on the Sunquist WMA. Well AD 1020.
Estimated Sale Price:	\$210 per well site and REM Fee
Grantee:	Knox Energy
Comment:	Mineral rights not owned by the State, agreement was in place at the time the State purchase property.
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. John Gregory stated that sale price will be \$500 per well site. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

G.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Warren County – 22 +/- acres – Boyd Barrens, Morrison, TN – Trans. No. 06-11-010 (FB)</u>
Purpose:	Acquisition in Fee to protect several rare plant species in habitats described as “marsh, edge of pond or boggy field.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	\$75,000.00
Estimated Title, Appraisal and Survey Fees:	Fair Market Value
Owner(s):	Ronnie W. & Deloris Ann Adcock
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Reggie Reeves presented the purpose of this transaction and the importance of these 11 rare plants. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

H.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Moore County – .09 +/- acres – Lost Creek Road, Lynchburg, TN – Trans. No. 06-10-008 (GM)</u>
Purpose:	Disposal in Fee in order to clear up boundary encroachment.
Grantee:	Joseph Antonetti
Comment:	Land owners will pay for all costs to clear this up.
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

I.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Franklin County – .06 +/- acres – Tim’s Ford State Park, Estill Springs, TN – Trans. No. 06-11-012 (GM)</u>
Purpose:	Disposal in Fee to clear up encroachment dispute.
Estimated Sale Price:	Fair Market Value
Grantee:	Diane Lutzak
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of request for APPROVAL to AMEND and ASSIGN a DEED OF EASEMENT and LEASE AGREEMENT and RELEASE a USE RESTRICTION on real property as required by TCA 12-2-115:

Location:	<u>Hamilton County – 300 Block of Martin Luther Boulevard Project – Trans. No. 06-12-001(JB)</u>
Purpose:	To obtain the necessary financing for development, lenders are requiring release of public purpose restriction; extending term of easements and lease from 15 to 50 years; removal of the 45 day written cancellation provision in lease and easement deed; assignment of agreement to lenders.
Grantee:	28 th Legislative District Community Development Corporation and its lenders, Regions Bank, Seedco Financial Services, Inc. and Chattanooga Community Development Financial Institutions, Inc.
SSC Report:	12-11-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-18-06. Subcommittee approved the request as presented.

K.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Davidson County – 816 4th Avenue North, Nashville, TN – Trans. No. 06-11-913 (JS)**

Purpose: To provide parking space for state employees

Term: January 1, 2007 thru December 31, 2011 (5 yrs)

Proposed Amount: 2.01 +/- acres
Average Annual Contract Rent: \$58,400.58
Total Annual Effective Cost: \$58,400.58

Current Amount: 2.01 +/- acres
Annual Contract Rent: \$25,662.00
Total Annual Effective Cost: \$25,662.00

Type: New Lease – Negotiated

Purchase Option: No – First right of refusal to purchase

Lessor: Devenport Family Limited Partnership #1

Comment: The proposed lease provides 280 parking spaces for state employees. Rate is approximately \$17.38 per space per month.

SSC Report: 12-11-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-18-06. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Shelby County – 3200 Shelby Drive, Memphis, TN – Trans. No. 06-11-918 (AL)**

Purpose: Lease Amendment #1 to provide an additional option period of thirty (30) years.

Term: October 1, 2030 thru September 30, 2060 (30 yrs)

Proposed Amount: 6.0 +/- acres
Annual Contract Rent: \$1.00 per year
Total Annual Effective Cost: \$1.00 per year

Current Amount: 6.0 +/- acres
Annual Contract Rent: \$1.00 per year
Total Annual Effective Cost: \$1.00 per year

Type: Amendment #1 – Negotiated

FRF Rate: \$17.00 per square foot

Purchase Option: No

Lessor: City of Memphis

Comment: The proposed amendment provides an additional option period of thirty (30) years, which would extend the maximum expiration date until September 30, 2060. All other terms and conditions of the lease remain in full force and effect.

SSC Report: 12-11-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-18-06. Subcommittee approved the request as presented.

M.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Hamilton County – 530 Cherokee Blvd., Chattanooga, TN – Trans. No. 06-07-902 (RS)**

Purpose: To provide office space for DLI station for the county

Term: February 1, 2007 thru January 31, 2008 (1 yr)

Proposed Amount:	<u>3,425 Square Feet</u>		
	Annual Contract Rent:	\$45,450.00	@\$13.27/sf
	Est. Annual Utility Cost:	\$ 4,795.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,767.50</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$54,012.50	@\$15.77/sf

Current Amount: None

Type: New Lease – Negotiated

FRF Rate: \$16.00 per square foot

Purchase Option: No

Lessor: James Jones

Comment: The proposed lease provides (1) Lessor shall complete all requested tenant /repairs improvements at no additional cost to the State, and (2) Lease includes a 90-day State cancellation clause.

SSC Report: 12-11-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-18-06. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Tennessee

- 1) Approved a project and acknowledgment of source of funding for
Guy James Road House Demolition
at **Middle Tennessee State University** in Murfreesboro,
with design services by the regional consultant,
and contingent upon approval by the Tennessee Historical Commission.

Estimated Project Cost:
SBC Project No.

166/009-13-2006

\$ 40,000.00

DEPARTMENT OF AGRICULTURE

WEST TENNESSEE NURSERY, MADISON COUNTY, TENNESSEE

- 1) Approved a project for **Storage Shed Demolition** at the West Tennessee Nursery in Pinson Mounds, Madison County, Tennessee, contingent upon approval by the Tennessee Historical Commission.

Estimated Project Cost: \$3,800.00
SBC Project No. 100/010-01-2006

DEPARTMENT OF AGRICULTURE

DIVISION OF FORESTRY, FENTRESS COUNTY, TENNESSEE

- 1) Approved a project to **Demolish Old Residence** located in Fentress County, at no cost to the State, and contingent upon approval by the Tennessee Historical Commission.

Estimated Project Cost: \$0.00
SBC Project No. 100/010-02-2006

Approved by: _____
M.D. Goetz, Jr., Commissioner
Department of Finance and Administration